

ADM-12.03, "Development and Management of Agency Budget," March 21, 2014

SCDC POLICY/PROCEDURE

NUMBER:ADM-12.03

TITLE:DEVELOPMENT AND MANAGEMENT OF AGENCY BUDGET

ISSUE DATE: March 21, 2014

RESPONSIBLE AUTHORITY: DEPUTY DIRECTOR OF ADMINISTRATION

OPERATIONS MANUAL:ADMINISTRATION

SUPERSEDES: ADM-12.03(July 1, 2008); (May 1, 2002)

RELEVANT SCDC FORMS/SUPPLIES: NONE

ACA/CAC STANDARDS:4-ACRS-7D-16, 4-ACRS-7D-18, 4-ACRS-7D-19, 4-ACRS-7D-20, 4-ACRS-7D-23, 4-4025, 4-4028, 4-4029, 4-4030, 4-4031, 4-4032

STATE/FEDERAL STATUTES:

PURPOSE: To provide guidelines for the development and management of the South Carolina Department of Corrections annual budget.

POLICY STATEMENT: To promote fiscal responsibility, the South Carolina Department of Corrections will develop and manage an Agency budget in accordance with applicable state and federal laws, State Budget and Control Board regulations, Agency policies/procedures, and sound accounting practices.

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SPECIFIC PROCEDURES:

1. GENERAL PROVISIONS:

1.1 Every Agency division, institution, and branch will have a budget reflecting their allocation of available resources for each fiscal year. For budget purposes, they will be known as Cost Centers and, in effect, will accumulate and categorize actual Agency costs.

1.2 Each Cost Center will operate within the limits of its budget allocation.

1.3 Each budget within the Agency will reflect the means to accomplish established Agency goals and objectives within the budgeting limitations and will be managed in accordance with applicable state and federal laws, State Budget and Control Board regulations, Agency policy/procedures, and sound accounting principles.

1.4 The Budget Oversight Committee, comprised of the Agency Director and the Director's Staff, will receive a summary of Agency budget activities on a monthly basis. It is the responsibility of the Committee to review expenditures and revise allocations of resources if deemed necessary in accordance with specific procedures.

2. BUDGET DEVELOPMENT:

2.1 The budget development process begins when the Governor begins planning the next Fiscal Year's State Budget. The Governor's Office distributes guidelines relative to how Agencies should prepare their budgets and what the priorities and limitations are for the overall state resources.

2.2 Each Cost Center Manager will review a proposed annual operating budget and, upon direction from the Budget and Planning Branch, prepare a budget request for the subsequent fiscal year. These budgets will be evaluated, combined, and reconciled to produce the Agency budget in accordance with specific procedures as provided by the Governor's Office.

2.3 Agency annual budget requests are accumulated on an incremental basis (additions to the previous year's base budget). In accordance with guidelines and the amount of detail required for the Governor's Executive Budget, the Agency Director, Deputy Director of Administration, and Chief, Budget and Planning Branch, will determine to what extent the Agency Cost Center Managers need to supply documentation for the annual budget request.

2.4 If determined that detailed input is necessary from the Agency Cost Center/Managers, the following procedures will be implemented:

2.4.1 The Deputy Director of Administration or designee will publish the Budget Guidance Memorandum, which will include all factual information, guidelines, priorities, constraints, time frames, etc., necessary to permit timely preparation of the Agency Budget.

2.4.2 If determined to have material impact by the appropriate Deputy Director (Administration, Programs & Services, or Operations), and in accordance with the time frames and guidelines stated in the Budget Guidance Memorandum, Cost Center Managers will submit a budget request to their respective Deputy Director. (4-ACRS-7D-18, 4-ACRS-7D-19, 4-4028, 4-4029)

2.4.3 The Deputy Director will then reconcile/prioritize budget requests and submit the Cost Center Budget Request to the Deputy Director of Administration or designee.

2.4.4 The Deputy Director of Administration or designee, will review/accumulate the Cost Center Budgets and submit a proposed summary budget to the Budget Oversight Committee for review and approval.

2.4.5 Subsequent to the preparation of the Governor's Executive Budget, the Budget Oversight Committee will meet with the Deputy Director of Administration to evaluate the impact of the recommended funds on the Agency. The Budget Oversight Committee will then advise the Supervisors of the effect upon their budgets, and they will adjust accordingly.

2.4.6 The approved proposed Agency Budget will be incorporated into the official Appropriations Request by the Deputy Director of Administration and Chief, Budget and Planning, and will be presented to the Governor by the Agency Director.

2.4.7 When the State Appropriations Act is passed by the General Assembly, the Agency will be notified of its actual budget appropriation. Should the "actual" appropriation differ from that recommended by the Governor, the Budget Oversight Committee will review the proposed budget for each affected office and adjust accordingly. Subsequently, each member of the Director's Staff, in conjunction with the Deputy Director of Administration, will consult with his/her subordinate supervisors and then adjust the individual Cost Center's budget allocations.

3. BUDGET MANAGEMENT:

3.1 Prior to the beginning of each fiscal year, the Deputy Director of Administration or designee, will provide a line item budget, a budget management memorandum, and an updated Accounting Code Manual which will contain all explanations of terminology, data requirements, and mandatory constraints to each Cost Center Manager.

3.2 The budget allocation of each Cost Center will be determined by the Deputy Director of Administration or designee, and will be based on anticipated line item expenditures which are unique to that specific Cost Center, i.e., salaries, contract services, fixed charges, utility costs, travel costs, etc.

3.3 The Deputy Director of Administration or designee may adjust the initial allocations, if necessary, on an on-going basis. (4-4030)

3.4 Various budgets will be centrally maintained by the Director's Staff, i.e., medical, security supplies, transportation, equipment, maintenance, training, commissary supplies, and renovation projects. Budget funds may be redistributed to Cost Centers which will ultimately accumulate the actual expenditures of goods and/or services. The authority for the distribution of funds will be documented with a requisition form, approved work order, justification letter, approved training request, and/or approved renovation request form. Copies of the documentation listed above should be maintained at the Cost Center location.

3.5 During the fiscal year, the Deputy Director of Administration or designee, will establish the allocation of other fund sources, i.e., nonrecurring, revenue, grants, bond, miscellaneous, and capital projects. The allocation will be reviewed by the Deputy Directors (Administration, Programs & Services, or Operations), and approved by the Agency Director.

3.6 The Agency Director and/or each member of the Director's Staff may, if necessary, adjust the budgets of Cost Centers within their respective areas. Such adjustment should occur only as a result of a change in Agency goals, objectives, priorities and/or unforeseen contingencies.

4. BUDGET REVIEW:

4.1 Each month, the Chief, Budget and Planning Branch, or designee, with assistance from the Deputy Director of Administration or designee, will prepare a series of Agency-wide reports that identifies expenditures, encumbrances, and year-to-date available budgets. Specific individual Cost Center reports will be prepared based on request and priority. (4-ACRS-7D-20, 4-ACRS-7D-23, 4-4031, 4-4032)

4.2 Cost Center Managers will review the reports each month and will identify and notify the appropriate area of any transactions which need to be corrected. (4-ACRS-7D-16, 4-4025)

4.3 The Chief, Budget and Planning Branch or designee, will analyze monthly expenditures for unusual items, inconsistencies, and budget problems and will make recommendations and/or take corrective action.

4.4 The Chief, Budget and Planning Branch or designee, will prepare and submit to the State Budget and Control Board and Comptroller General's Office any transfer of state funds requests which are necessary to comply with regulations of the Board.

5. MISAPPROPRIATING AGENCY FUNDS:

5.1 Agency employees found to be misappropriating Agency funds will be held liable and will be disciplined and/or prosecuted pursuant to Agency directives and applicable state and federal statutes. (See also SCDC Policy/Procedure ADM-11.15, "S.C. Whistleblowers Act," and SCDC Policy/Procedure GA-04.03, "Internal Audits.")

6. PERFORMANCE MEASURES:

6.1 Effective with the 1993/94 issued Appropriations Act, the Agency is required to provide an "Annual Accountability Report" which will show the Agency's overall progress for the year and contain the Agency's mission, objectives, and performance measures.

6.2 The "Accountability Report" should demonstrate the Agency's continuous improvement efforts and reflect progress in implementing the "Malcolm Baldrige National Quality Award" criteria (i.e., leadership, strategic planning, customer focus, information and analysis, human resource focus, process management, and business results).

6.3 Mission Statements, Objectives, and Performance Measures will be defined pursuant to SCDC Policies/Procedures. Final documentation will be approved by the Agency Director.

6.4 Data from the prior year's performance measures and Agency benchmarks will be incorporated into the "Accountability Report" to identify trends and allow comparisons with other correctional entities where appropriate.

6.5 Objectives will reflect next year's goals.

6.6 The Deputy Director of Administration or designee will coordinate the accumulation of performance measure data and development of "Accountability Report" for submission to the Governor's Office/Budget and Control Board.

7. DEFINITIONS: NONE

SIGNATURE ON FILE

—

s/Bryan P. Stirling, Director

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